



October 12, 2018

VIA ELECTRONIC FILING

The Honorable Joseph J. Simons, Chairman
The Honorable Rohit Chopra, Commissioner
The Honorable Noah Joshua Phillips, Commissioner
The Honorable Rebecca Kelly Slaughter, Commissioner
The Honorable Christine S. Wilson, Commissioner

Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

**Re: Hearing #1 on Competition and Consumer Protection in the 21st Century
Project Number P181201; FTC-2018-0074**

Dear Mr. Chairman and Commissioners:

CTIAⁱ commends the Federal Trade Commission for its launch of a comprehensive review of competition and consumer protection law and policy in the 21st century, including the impact of new technologies. The wireless industry is driving investment and innovation in the U.S. marketplace and is having a profound impact on consumers' lives and the U.S. economy. Competition has enabled a wireless ecosystem delivering breathtaking consumer benefits and contributing nearly \$475 billion annually to the U.S. economy.ⁱⁱ Today, nearly every American owns a mobile device, relying on it to make daily tasks easier and to access a limitless amount of information. The next generation of wireless – 5G – will be even more transformative, making our lives better, our communities safer, and our nation more prosperous. And within the wireless marketplace, wireless service providers compete vigorously to deliver the optimal wireless experience.

To aid the FTC's initiative on the current state of competition and consumer protection, CTIA submits the attached comments filed previously with the Federal Communications Commission that demonstrate the myriad ways that wireless is benefitting consumers, businesses, and the economy.ⁱⁱⁱ As noted in the comments, consumers today have unparalleled choice among wireless providers, services, plans, and devices. The data below



reinforce how competition in the U.S. wireless market is driving continued network investments and welfare-enhancing benefits to consumers across the nation.

The U.S. Wireless Marketplace Brings Myriad Benefits to Consumers

- *Wireless is bridging the Digital Divide.* Today's wireless – 4G LTE service – is now available to at least 99.7 percent of Americans. One in five adults is a “smartphone-only” Internet user, a trend particularly pronounced among African-Americans, Hispanics, young adults, and low-income individuals. 4G LTE now covers more than 73 percent of the total U.S. land area, and more than 84 percent of rural Americans are covered by at least three 4G LTE providers.^{iv}
- *Consumers continue to get more value from their wireless services.* Competition in the wireless marketplace has driven providers to think creatively to attract and retain customers. Consumers are reaping the benefits in the form of device promotions, a broad array of service offerings, faster speeds, and free add-ons, all creating increased value for consumers. Many different metrics reflect that wireless users are enjoying greater value from the larger volumes and varieties of services they are consuming. For instance, average monthly revenue per active revenue-generating unit fell 6.8 percent from 2016 to 2017 – in other words, consumers simply are getting more for their money.^v
- *Wireless usage continues to drive a mobile-first lifestyle.* At the end of 2017, there were 400.2 million active wireless subscriber connections – roughly 1.2 for every person in the U.S. And 90 percent of new net wireless connection adds in the first quarter of 2018 came from data-only devices such as connected cars and IoT devices. Between 2017 and 2018, monthly traffic per smartphone jumped from 3.9 GB to 5.1 GB, an astounding 30.7 percent increase for a single year.^{vi}

Wireless Providers Are Competing Vigorously, Launching New Deployments and Creating New Jobs

- *Providers continue investing significant resources in networks.* In 2017 alone, wireless carriers invested approximately \$25.6 billion in capital expenditures, and over the past eight years, wireless providers spent more than \$229.5 billion in network improvements. The industry is expected to invest \$275 billion to build out their 5G networks over the next decade. These significant investments bring higher quality connectivity to consumers.^{vii}



- Providers are investing in infrastructure to improve and expand service. A record 323,448 cell sites were in operation in 2017, representing a 52 percent growth over the last decade. The deployment of small cells, which helps satisfy consumers' data demands and provides an important network densification precursor for 5G, is expected to see a skyrocketing increase of 550 percent in 2018.^{viii}
- The wireless economy is driving job creation. The wireless industry continues to be a tremendous job creator, with almost 4.7 million jobs relying directly or indirectly on the wireless industry. The deployment of advanced wireless services and next-generation 5G is expected to create at least three million more U.S. jobs over the next decade.^{ix}

Competition, Investment, and Innovation Support the Industry's Efforts to Protect Consumers

- Protecting against theft and security breaches is a top priority. Wireless providers work hard to protect their customers' data and personal information and adhere to responsible privacy and data security practices. Many providers voluntarily commit to enforceable self-regulatory codes of conduct, including privacy principles regarding transparency, consumer choice, data security, and notification. The nationwide wireless providers also have developed a variety of tools and security features to assist customers in securing their devices, accounts, and information.^x
- Carriers are actively combatting illegal and unwanted calls. Carriers are using network-based techniques, leveraging the proliferation of apps and other third-party tools, educating consumers, deploying call authentication technology, and collaborating with aggregators, innovators, and regulators to combat illegal and unwanted calls.^{xi}
- All consumers are able to participate in the mobile-first lifestyle. Competition in the wireless marketplace has led to the creation of services and products that meet the needs of different communities, including the accessibility community, senior citizens, military veterans, and frequent international travelers.^{xii}

By any metric – adoption, usage, investment, deployment – the mobile wireless ecosystem is robust and thriving. And consumers are reaping the benefit.



Please do not hesitate to contact the undersigned with any questions.

Sincerely,

/s/Melanie Tiano

Director, Cybersecurity and Privacy
CTIA



ⁱ CTIA® (www.ctia.org) represents the U.S. wireless communications industry and the companies throughout the mobile ecosystem that enable Americans to lead a 21st century connected life. The association's members include wireless carriers, device manufacturers, suppliers as well as apps and content companies. CTIA vigorously advocates at all levels of government for policies that foster continued wireless innovation and investment. The association also coordinates the industry's voluntary best practices, hosts educational events that promote the wireless industry and co-produces the industry's leading wireless tradeshow. CTIA was founded in 1984 and is based in Washington, D.C.

ⁱⁱ *U.S. Wireless Industry Contributes \$475 Billion Annually to America's Economy and Supports 4.7 Million Jobs, According to New Report*, ACCENTURE (Apr. 5, 2018), <https://newsroom.accenture.com/news/us-wireless-industry-contributes-475-billion-annually-to-americas-economy-and-supports-4-7-million-jobs-according-to-new-report.htm>.

ⁱⁱⁱ Comments of CTIA, WT Docket No. 18-203 (filed July 26, 2018), attached hereto.

^{iv} *Id.* at 6, 26 (citing *Mobile Fact Sheet*, PEW RESEARCH CENTER: INTERNET & TECHNOLOGY (July 17, 2018), <http://www.pewinternet.org/fact-sheet/mobile/>; *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993; Annual Report and Analysis of Competitive Market Conditions With Respect to Mobile Wireless, Including Commercial Mobile Services*, Twentieth Report, 32 FCC Rcd 8968, App. III, Table III.D.iv. (2017)).

^v *Id.* at 15-16 (citing *CTIA Wireless Industry Indices Report* (2018)).

^{vi} *Id.* at 5, 18, 20 (citing *Mobile Fact Sheet*, PEW RESEARCH CENTER: INTERNET & TECHNOLOGY (July 17, 2018), <http://www.pewinternet.org/fact-sheet/mobile/>; *CTIA Wireless Industry Indices Report* (2018)).

^{vii} *Id.* at 17 (citing *CTIA Wireless Industry Indices Report* (2018)).

^{viii} *Id.* at 25-27 (citing *CTIA Wireless Industry Indices Report* (2018); *Impact of Federal Regulatory Reviews on Small Cell Deployment*, ACCENTURE STRATEGY, at 3 (Mar. 12, 2018), https://api.ctia.org/wp-content/uploads/2018/04/Accenture-Strategy-Impact-of-Federal-Regulatory-Reviews-On-Small-Cell-Deployment-Report_2018.pdf).

^{ix} *Id.* at 16-17 (citing *How the Wireless Industry Powers the U.S. Economy*, ACCENTURE, at 3 (Apr. 5, 2018), <https://api.ctia.org/wp-content/uploads/2018/04/Accenture-Strategy-Wireless-Industry-Powers-USEconomy-2018-POV.pdf>; *The Global Race to 5G*, CTIA, at 2 (Apr. 2018), <https://api.ctia.org/wp-content/uploads/2018/04/Raceto-5G-Report.pdf>)).

^x *Id.* at 52-54.

^{xi} *Id.* at 55-59.

^{xii} *Id.* at 8-15.